

# PUBLIC SUBMISSION

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**Docket:** EBSA-2010-0050

Definition of the Term ‘Fiduciary’; Conflict of Interest Rule—Retirement Investment Advice; Notice of proposed rulemaking and withdrawal of previous proposed rule.

**Comment On:** EBSA-2010-0050-0204

Definition of the Term Fiduciary; Conflict of Interest Rule- Retirement Investment Advice

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## Submitter Information

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## General Comment

Hello,

Regarding the addition of extra regulations in IRA accounts for options; I oppose this move for several reasons. Simply put, options are a fraction of the cost of what an investor has to outlay to buy the stock itself and many investors will just use them to hedge their equity positions buying puts or selling calls against it (or doing both to create zero or low cost collars) to protect their capital.

If one holds stock and an event is upcoming (earnings report, new product release like an Apple Iphone etc.) the cautious investor might just like to put in place a hedge as opposed to selling the stock outright and then missing a potential move higher or having to buy back in at a higher cost with more commissions. I have done this in the past to hedge partial or the entire position. There are so many ways to use options to reduce risk that additional regulations in IRA accounts will just leave investors hopelessly exposed during periods of volatility with no way to hedge (not like selling short is allowed in IRA's right???) and it will reduce liquidity of the market as well likely causing higher bid/ask spreads. Maybe the market making firms will get behind this legislation but it won't help the average investor with a basic understanding of options and the important role they play in their investing goals.

Regards,  
John